



Department of Public Health and Human Services

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Steve Bullock, Governor

Richard H. Opper, Director

Date: July 15, 2015

To: Montana Health Coalition

From: Mary E. Dalton, State Medicaid Director *Mary*

Subject: Section 1115 Health and Economic Livelihood Partnership Program Waiver

The Montana Health Coalition will be meeting on August 20, 2015 in Helena. (Invitation and agenda are coming under a separate mailing.) The Coalition meeting will be held in conjunction with the Health and Economic Livelihood Partnership (HELP) Program public meeting in Helena. The primary agenda item for the Coalition meeting will be the proposed Medicaid Expansion. We will solicit your comments on Medicaid Expansion and the waivers necessary to implement Expansion at the meeting. As coalition members, however, we are also offering you the opportunity to comment separately as outlined in this letter. We are offering you both avenues to ensure that we comply with state law.

We are sending this letter to invite comment from Montana Health Coalition members regarding the following.

The Montana Department of Public Health and Human Services (DPHHS) is providing public notice of its intent to: (1) submit to the Centers of Medicare and Medicaid Services (CMS), on or before September 15, 2015, written applications for an 1115 Waiver and 1915(b)(4) Fee-for-Service (FFS) Selective Contracting Program Waiver to implement the HELP Program; and (2) hold public hearings to receive comments on these waiver applications.

On April 29, 2015, Governor Steve Bullock signed into law Senate Bill 405, an Act establishing the Montana HELP Program to expand health coverage in Montana to an estimated 70,000 new adults with incomes up to 138% of the Federal Poverty Level (FPL). The proposed 1115 Demonstration and 1915(b) Selective Contracting Waivers support implementation of the HELP Act by enabling Montana to implement two central features of its HELP Program: (1) use of a Third Party Administrator/Administrative Services Organization (TPA/ASO) arrangement to provide efficient and cost-effective coverage; and (2) consumer cost-sharing to encourage personal responsibility and cost-conscious behaviors.

Montana will contract with a TPA/ASO to administer the delivery of and payment for healthcare services for most new adults, with the exception of individuals who are exempt

from TPA/ASO enrollment, such as medically frail and American Indian/Alaskan Native residents.

Montana will also require premiums and co-payments for new adults with incomes below 138% of the FPL who are enrolled through the TPA/ASO. These individuals will be required to pay premiums equal to 2% of monthly income and maximum co-payment amounts allowed under federal law. In accordance with federal law, premiums and co-payments combined may not exceed 5% of family income. Any individual who fails to pay required premiums will incur a debt to the state. Additionally, individuals with incomes above 100% FPL who fail to pay premiums will be dis-enrolled from coverage until they pay overdue premiums or until the Department of Revenue assess the premium debt against their income taxes. Individuals who engage in approved programs will be exempt from such disenrollment.

The State will request the following waivers in the 1115 Demonstration Waiver:

- § 1902(a)(17): To waive Medicaid comparability requirements allowing different treatment of newly eligible adults, such as the application of co-payments and premiums on newly eligible adults enrolled in Medicaid through the TPA/ASO;
- § 1902(a)(14): To impose monthly premiums that are equal to 2% of income on newly eligible adults enrolled through the TPA;
- § 1902(a)(23): To waive Medicaid freedom of choice requirements relative to the TPA; and
- § 1902(a)(8): To waive the reasonable promptness requirement and permit disenrollment of people with incomes above 100% of the federal poverty level who fail to pay required premiums.

Montana intends to submit a 1915(b)(4) FFS Selective Contracting Program Waiver to allow the State to selectively contract the TPA/ASO provider network to serve HELP Program participants.

The Demonstration will further the objectives of Title XIX by expanding Medicaid coverage — increasing the number of Medicaid enrolled individuals in the State by more than half—and ensuring quality, affordable access to coverage for low-income Montana residents. The Demonstration will also promote continuity of and access to providers by leveraging the efficiencies and expertise of the private market.

The Demonstration will be statewide and will operate for up to five years. The State anticipates that approximately 45,000-70,000 individuals will be eligible for the Demonstration.

The Demonstration will test hypotheses related to provider access, use of high value health care, and consumer engagement in healthy behavior.

Two public meetings will be held regarding the waiver. You may attend in-person or via webinar.

- 1) August 18, 2015, 3:30 p.m. to 5:30 p.m., in the Billings Public Library, 510 North 28th Street, Billings, MT 59101; and
- 2) August 20, 2015, 1:00 p.m. to 3:00 p.m., in the Sanders Building Auditorium, 111 North Sanders Street, Helena, MT 59601.

To join the public meeting via webinar, you must pre-register. Complete the required registration application at <http://www.dphhs.mt.gov/medicaidexpansion>. If special accommodations are needed, contact 406-444-4455.

Public comments may be submitted until midnight on September 7, 2015. Comments may be submitted by e-mail to jthompson@mt.gov or by regular mail to: The Department of Public Health and Human Services, Attn: Jo Thompson, PO Box 202951, Helena, MT 59620-2951. The complete version of the current draft of the Demonstration application is available for public review at <http://dphhs.mt.gov/medicaidexpansion>.

Thank you for your continued commitment to the Medicaid program.